



Report by the Head of the European Defence Agency to the Council

9 December 2010

In its sixth year of operations, the Agency has continued to pursue more effective and results-oriented European collaboration in order to improve the participating Member States' defence capabilities. The entry into force of the Lisbon Treaty has been an impetus for the activities of the Agency. The Council decision on EDA, required by article 45-2 of the Treaty European Union, will further underline the important role of the Agency in support of the Council and the Member States' effort to improve the EU's defence capabilities in the field of crisis management and to sustain the Common Security and Defence Policy as it stand today and develops in the future.

The Capability Development Plan (CDP) as the overall strategic tool has continued to guide the efforts of the Agency, together with the three long-term strategies for European Defence Research and Technology, European Armaments Co-operation and the European Defence Technological and Industrial Base.

Based on the Work Plan 2010-2012 and the Work Programme 2010, established within the Council Guidelines for the Agency's work in 2010, EDA has carried out a range of activities which all have the same principle: to initiate cost-effective collaboration for the participating Member States (pMS) in support of CSDP requirements.

The impact of the global economic crisis on national defence budgets has been an additional impulse to seek savings through European cooperation. The Agency has initiated a systematic approach to pooling and sharing, including addressing civil-military options and aspects related to the European Defence Technological and Industrial Base.

In order to improve European defence capabilities the Agency has further enhanced its relations with key stakeholders within the EU, in particular the European Commission, as well as with third parties, particularly with the European Space Agency, Letter of Intent, NATO and OCCAR.





I. Implementing the strategic framework

The Capability Development Plan (CDP) has continued to be valuable for addressing capability priorities and for guiding the definition of capability requirements for collaborative programmes and projects. It is firmly established as a key tool for influencing national defence planning. Work on updating the CDP has started in 2010, in close cooperation with the pMS, the EUMC and the EUMS, and will be finished in 2011.

The interconnection between the CDP and the European Defence Research & Technology (EDRT) strategy has been expanded into additional priority areas like protection against Chemical, Biological, Radiological and Nuclear (CBRN) threats as well as others. The defence R&T collaboration in Europe remains at high level. The European Framework Cooperation for Security and Defence Research has provided the context for developing the first Agency contribution. A new R&T programme on CBRN protection has been launched, focusing on next generation protection capabilities in areas such as detection and identification, decontamination and medical countermeasures.

The European Armaments Co-operation (EAC) strategy has continued to steer more effective and efficient armaments cooperation in order to reduce costs and increase timely delivery of capabilities. The Guide to the Conduct of a Programme Preparation Phase has been applied to five category B projects: Maritime Mine Counter Measures (MMCM), Future Tactical Unmanned Aerial System (FUAS), Biological Equipment Development and Enhancement Programme (Bio-EDEP), Advanced European Jet Pilot Training (AEJPT) and Future Transport Helicopter (FTH). Work strands on best practices, armaments training and standardisation have been brought forward. Council approval of the draft Administrative Arrangement between EDA and OCCAR would be a significant step forward in providing a means of transferring the Agency's projects into collaborative programmes managed by OCCAR.

The implementation of the European Defence Technological and Industrial Base (EDTIB) strategy has progressed well. The Code of Conduct on Defence Procurement keeps playing its important role in bringing transparency and competition into the European Defence Equipment Market (EDEM). The Code has reached the number of around 580 published contract opportunities on the Agency's





Electronic Bulletin Board (EBB) portal, with a total value of more than € 22 billion. Of the awarded contracts (350) nearly one third are cross-border awarded contracts. On 15 October 2010 the 100% limit on the use of offsets under the Code of Conduct on Offsets became active. This has set a limit on the use of offsets for the first time ever. Work on Future Air Systems and on the Ammunition Sector – the two pilot cases in the context of identifying key industrial capabilities and means of improving European resources therein – has been taken forward. The European Network of National Safety Authorities on Ammunition (ENNSA) has been established. In the area of Security of Supply a stocktaking analysis has provided the basis for prioritisation of possibilities for common action. After the kick-off discussion in the Ministerial Steering Board in April the Level Playing Field (LPF) issue has been further elaborated, amongst others by categorising the LPF items as a first step for prioritising work.

II. Facilitating Collaborative Projects and Programmes

Delivering capabilities requires dedicated projects and programmes, carried out by contributing Members and facilitated by EDA. Within the Agency's strategic framework, participating Member States have committed to new projects and carried on work with already established collaborations. The twelve CDP priorities have remained particularly important, but other projects and initiatives have also been taken forward. All of them are in line with the conclusions drawn from the CDP.

In April the Deployable Level 2 Exploitation Capability project was launched, envisaging the deployment of a field laboratory for forensic research of road-side bombs explosions. Countering Improvised Explosive Devices (CIED), one of the 12 CDP priorities, is an urgent operational requirement. Preparations are on track, with France as the lead nation supported by other pMS. The actual deployment to the Afghanistan theatre of operations by mid-2011 will immediately increase the operational CIED capability. Results will be shared with all other pMS.

The Helicopter Training Programme (HTP) became operational. In June the second helicopter exercise took place in host-nation Spain, the biggest live helicopter exercise in Europe since the end of the Cold War. In the two exercises organized so far, nearly 60 helicopters, over 110 crews and 1300 personnel have participated. Of the crews trained, more than 60 have already been deployed to





Afghanistan. This is another example of one of the 12 CDP priorities with immediate operational output. Work on the longer-term work strand, the Future Transport Helicopter, has also progressed. Industrial bids have been received based on a request for information on proposed solutions for the replacement of existing heavy lift capabilities of the two category B contributors, France and Germany. Coordination with NATO and the United States has continued.

Work on other CDP priorities, falling within the responsibility of the Agency, has progressed as well: Counter-Man Portable Air Defence Systems (MANPADs); European Air Transport Fleet (EATF); Maritime Mine Counter Measures (MMCM); Medical Support; Intelligence, Surveillance and Reconnaissance (ISR) capabilities, Network Enabled Capabilities (NEC) and Third Party Logistics Support platform.

The Wise Pen Team of five retired European admirals delivered its report on Maritime Surveillance in support of CSDP. The central message of the report is the need for linking national and international military and civilian assets in order to create a federated maritime surveillance network. The report is an important contribution to the activities on Integration of Maritime Surveillance, led by the European Commission.

Category B projects on Advanced European Jet Pilot Training (AEJPT), Biological Equipment Development and Enhancement Programme (Bio-EDEP), Future Tactical Unmanned Aerial System (FUAS), European Secure Software defined Radio (ESSOR), MIDair Collision Avoidance System (MIDCAS) and Multinational Space-based Imagery System (MUSIS) progressed well.

The two Joint Investment Programmes, on Force Protection and Innovative Concepts and Emerging Technologies, continued to encourage the building of networks between defence industry, research establishments and academia. The new R&T programme for Unmanned Maritime Systems (UMS) for mine counter-measures and other naval applications, was brought forward in view of activation in 2011.





III. Interaction with key stakeholders

In order for the Agency to strive for interoperable capability solutions and to assist in strengthening Europe's defence resources, it needs to interact with other stakeholders.

The Agency has further explored the potential for synergies with the European Commission's activities, in particular in connection to its civilian security research activities and its initiatives to improve the functioning of the European Defence Equipment Market and to support the EDTIB but also in areas like Maritime Surveillance and Unmanned Aircraft Systems insertion into regular air space.

Cooperation based on the Administrative Arrangement with Norway has continued to be mutually beneficial. The proposed Administrative Arrangement with the European Space Agency is an important step forward in order to maximise effectiveness and mutually beneficial investment in dual use space-based or –related technologies. Negotiations have started to establish an Administrative Arrangement with Switzerland, with the aim to allow Swiss participation in the Agency's projects and activities.

The Agency's efforts to ensure complementary and mutually-reinforcing capability development with NATO have been intensified, in particular between EDA and Allied Command Transformation (ACT). In five areas of common interest (CIED, NEC, JISR, Medical and CBRN protection) progress has been made to coordinate the activities of both organisations. The Agency has continued to contribute actively to the EU-NATO Capability Group.

Contacts with the Letter of Intent group have further increased in order that work conducted by EDA and the Lol is coherent and complementary.

The informal dialogue with the United States has been continued, with a particular focus on topics like Software Defined Radio, Unmanned Aircraft Systems and Future Transport Helicopter, where capability requirements could meet, and the financial burden related to development work could be shared.

